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MEETING

STATE OF CALIFORNIA

INTEGRATED WASTE MANAGEMENT BOARD

MARKET DEVELOPMENT AND SUSTAINABILITY COMMITTEE

JOE SERNA, JR., CAL/EPA BUILDING

1001 I STREET

2ND FLOOR

COASTAL HEARING ROOM

SACRAMENTO, CALIFORNIA

WEDNESDAY, MARCH 18, 2009

10:00 A.M.

TIFFANY C. KRAFT, CSR, RPR
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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMITTEE MEMBERS

Ms. Margo Reid Brown, Chair

Mr. John Laird

Ms. Carole Migden

BOARD MEMBER ALSO PRESENT

Ms. Rosalie Mul

STAFF

Mr. Mark Leary, Executive Director

Mr. Elliot Block, Staff Counsel

Ms. Kristen Garner, Executive Assistant

Mr. Howard Levenson, Deputy Director, Sustainability
Program

Ms. Marissa Luna, Staff

Ms. Shirley Willd-Wanger, Division Chief, Financial
Assistance Division

ALSO PRESENT

Mr. Michael Blumenthal, Rubber Manufactures Association

Mr. Terry Leveille, TL & Associates

Mr. Cameron Wright, West Coast Rubber Recycling

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1 PROCEEDINGS

2 CHAIRPERSON BROWN: Good morning. Welcome to the
3 Wednesday, March 18th, meeting of the Market Development
4 and Sustainability Committee.

5 There are agendas in the back of the room.

6 And if anyone would like to speak to the item
7 today, there are speaker slips. And please fill them out
8 and bring them to Kristen.

9 I'll ask Kristen to please call the roll.

10 EXECUTIVE ASSISTANT GARNER: Laird?

11 COMMITTEE MEMBER LAIRD: Here.

12 EXECUTIVE ASSISTANT GARNER: Migden?

13 COMMITTEE MEMBER MIGDEN: Here.

14 EXECUTIVE ASSISTANT GARNER: Brown?

15 CHAIRPERSON BROWN: Here.

16 Any members have any ex partes to report?

17 And I'd like to thank Member Mulé, and welcome.

18 BOARD MEMBER MULÉ: Thank you.

19 CHAIRPERSON BROWN: Thank you for joining us.

20 Howard, I assume there's no Director's report, or
21 is there today? No. No Director's report.

22 So we'll go straight into Committee Item B.

23 Howard.

24 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Thank
25 you, Madam Chair. Good morning, Board members.

1 Howard Levenson with the Sustainability Program.

2 And the only item on the agenda today is
3 consideration of the grant awards for the Tire-Derived
4 Product Grant Program. And I request to conditionally
5 cancel next year's cycle, depending on what you do today.

6 This is a relatively straight forward item. We
7 are simply asking the Board in one sense to approve
8 funding for one of our most popular tire grant programs.

9 But we're also asking you to take advantage of
10 the unique circumstances of the budget. We're asking you
11 to take advantage of the unique circumstance of the fiscal
12 09-10 budget, the fact it's already been passed and we
13 know what funding is available beginning July 1st.

14 Because the program is so oversubscribed this
15 year, as described in the item -- we have over \$6 million
16 in eligible applications, but only \$2 million in fiscal
17 08-09 funding available -- we're proposing that we fund
18 most or all of the eligible applicants in this cycle by
19 doing three things:

20 One is to approve today's awards, which total \$2
21 million. That will use the fiscal 08-09 funds.

22 Then in April, when we bring you the annual tire
23 fund reallocation item, we would propose allocating some
24 of the funds from that to fund some of the eligible
25 applicants from this list.

1 And then in May, after you adopt the Five-Year
2 Tire Plan, we would propose we use the \$3.3 million that
3 are allocated for the Tire-Derived Grant Program next
4 year, use to fund the rest of the eligible applicants this
5 year. So we get over \$6 million out on the street
6 relatively quickly. We'd have to wait until July to do
7 the last part. But to be able to fund almost all of the
8 applicants who are eligible in this current cycle.

9 The downside of that is there would be no funding
10 left in 09-10 for a new cycle. So we ask that you
11 conditionally cancel the 09-10 cycle in order to fund the
12 applicants this year.

13 So I can explain that in more detail. That's
14 sort of the setting for what we're trying to do this year.

15 And I would like to turn it over to Marissa to
16 give you the presentation on the \$2 million and the awards
17 we're asking you to consider today.

18 CHAIRPERSON BROWN: We are going to have
19 questions and concerns. But do you want to do the
20 presentation first, and then we'll ask our questions about
21 all of what you presented and this allocation?

22 (Thereupon an overhead presentation was
23 presented as follows.)

24 MS. LUNA: Good morning. For the record, my name
25 is Marissa Luna from the Financial Assistance Division.

1 Before I present the recommendations of grant
2 awards for fiscal year 2008-09, I'd like to share with you
3 some of the results of the 2008 tire-derived product
4 satisfaction survey.

5 Post-grant term annual surveys are required by
6 this grant program to help assess the grantees' long-term
7 satisfaction of the tire-derived products funded by this
8 grant. The grantee must complete and submit an annual
9 survey for the tire-derived product grant program every
10 year for five years after the grant closes.

11 --o0o--

12 MS. LUNA: We ask grantees, how satisfied are you
13 with the tire-derived product? Fifty-two percent said
14 they are very satisfied, and 31 percent said they are
15 satisfied.

16 --o0o--

17 MS. LUNA: We also ask grantees if their
18 organization purchased other tire-derived products using
19 their own funds. Thirty-two percent said they purchase
20 products on their own. Of those that have not purchased
21 products with their own funds, 21 percent said they plan
22 to in the near future.

23 --o0o--

24 MS. LUNA: Thirty-three percent of grantees
25 reported that injuries have decreased as a result of the

1 tire-derived product, and no one reported an increase in
2 injuries.

3 Now I'll continue with the award recommendation
4 for fiscal year 2008-09.

5 --o0o--

6 MS. LUNA: The Tire-Derived Product Grant Program
7 offers funds for the purchase of tire-derived products
8 made from California waste tires. Eligible applicants
9 include certain public entities, low-income, nonprofit,
10 private schools, and California community housing
11 development organization.

12 All projects must be located in California and
13 must divert a minimum of 25 California waste tires.

14 --o0o--

15 MS. LUNA: This fiscal year, the Five-Year Plan
16 for the Waste Tire Recycling Management Program allocated
17 \$2 million to this grant program. Grantees will receive
18 the actual cost per tire diverted by their project up to a
19 maximum of five dollars per tire.

20 The maximum grant award is 150,000 per applicant
21 with the exception of large school districts defined as
22 those with 43,000 or more students, which are eligible for
23 \$250,000.

24 --o0o--

25 MS. LUNA: We received 91 applications by the due

1 date. Twenty-three were disqualified, and one applicant
2 withdrew.

3 Since the grant program was oversubscribed, we
4 held a random selection process in accordance with the
5 Board-approved policy to determine funding order.
6 Sixty-seven applicants were eligible to participate in the
7 random selection process on February 17th.

8 Applicants were then sorted by funding number and
9 geographic location.

10 As a result, from southern California, 12
11 applicants are recommended for full funding and one for
12 partial funding. And from northern California, eight
13 applicants are recommended for full funding and one for
14 partial funding, totaling \$2 million.

15 --o0o--

16 MS. LUNA: Besides what we're recommending for
17 funding today, staff is also suggesting a new funding
18 approach for the 45 remaining unfunded applicants and the
19 remainder of the one partially funded southern applicant
20 and the one partially funded northern California, totaling
21 \$4,098,272.

22 As explained in detailed in the agenda item,
23 there are many reasons why this approach provides
24 significant benefits, including economic incentive, staff
25 focus on grantees, and program evaluation, to name a few.

1 In order to accomplish this, first, staff will
2 request funds from the tire reallocation item in April
3 2009.

4 Second, staff will request through an agenda item
5 in May 2009 to fund most or all of the remaining unfunded
6 applicants with next fiscal year's 2009-10 Tire-Derived
7 Product Grant Program allocation.

8 This proposal does involve many conditions, which
9 include staff determination that the proposed grant
10 project is still viable in fiscal year 2009-10. Since all
11 of the 09-10 funds would be used, staff proposes that the
12 Board conditionally cancel the Tire-Derived Product Grant
13 Program solicitation for fiscal year 2009-10.

14 --o0o--

15 MS. LUNA: Staff recommends Option 1, that the
16 Board approve the proposed grant awards for Tire-Derived
17 Product Grant Program and direct staff to enter into grant
18 agreements with the awarded applicants and conditionally
19 approve cancellation of the Tire-Derived Product Grant
20 Program solicitation for fiscal year 2009-10 and adopt
21 Resolution Number 2009-42.

22 This concludes my presentation. And I'd be happy
23 to answer any questions. Thank you.

24 CHAIRPERSON BROWN: Thank you, Marissa.

25 We do have some questions.

1 Carole.

2 COMMITTEE MEMBER MIGDEN: Good morning. I guess
3 having reviewed the recommendations -- and it's terrific
4 that the program is sought after and that there's a
5 surfeit of applications from all over.

6 But one thing I wanted to look at, which was the
7 definitions of how we define north and south. And central
8 valley is plunked entirely in the north.

9 And geographically -- so I'm not sure if this is,
10 you know, under the executive director, our attorneys.
11 But as a general matter, conceptually I think it's fair to
12 at least divide them or figure it out therein, because I'm
13 looking ahead at Tier 2 applications, not that much this
14 morning. I think most this morning, you know, squarely
15 would be northern.

16 So one would be to look at -- and most
17 particularly if we're looking at some kind of roll over
18 that will deplete this fund for two years and again
19 whether some is today, tomorrow, the next day and how we
20 reappropriate, or next month, it's all to me to be
21 considered in the aggregate of when we roll out.

22 The second thing I find very distressing is there
23 are no -- with the exception of a little bit of Fremont,
24 there are no Bay Area grants being proposed in any of the
25 three cycles. And I don't know if they weren't rigorous

1 enough or, you know, what all that's about.

2 But, you know, squarely and I shall say this,
3 we're statewide. I am Bay Area, and I would like to see
4 good works and opportunities.

5 And to look at the second -- for instance, you
6 know, I just wanted to direct member's attention. Where's
7 the second tier?

8 So what we're looking at, for instance, in the
9 second tier, you know, Stanislaus County. And I think is
10 that Shafter near the second -- is it Shafter or Shafer
11 Unified School District? That's near Bakersfield I
12 believe; right?

13 You know, city of Fresno, I don't know anyone
14 considers the city of Fresno northern California. It
15 simply is not.

16 So if we want to look at -- and then I'm being
17 aware and I think it's totally -- I do support the idea
18 that the bulk goes to the southern part of the state. I
19 appreciate that. And to just look at fair well-rounded
20 applications. It's about a 60/40 split or 61 -- I don't
21 mind that. But I kind of do if the 39 percent includes
22 majority of central valley, because then that's being
23 considered a northern split.

24 So let me just say this, that I would like to
25 know what the reason is therein. But I would not just

1 want to advocate here San Francisco. I'm saying if it's
2 Contra Costa I would be happy, or some other parts.

3 But moreover, are we geographically addressing up
4 and down the state? Because even if we are -- I'm looking
5 at Palmdale and this and that and certain valley programs
6 in L.A. I'm not seeing much in L.A. proper, which is the
7 heart of the population of the county of Los Angeles. So
8 that also makes me uneasy.

9 And I think that so one is, you know, did we
10 outreach? Did they produce lousy applications? What are
11 the reasons therein?

12 And I just want to say one thing lastly, Madam
13 Chair. You know, I remember in the Legislature one time
14 for certain school moneys L.A. failed to apply, and we
15 still had to give them two-thirds of the money with no
16 application, because we couldn't leave the school kids
17 bereft.

18 So it isn't always to me who's the best
19 applicant, because some people are swifter or others are
20 better at that. And it's still therefore the
21 responsibility I think of this body to, A, either help if
22 there is a deficiency of applications. Two, within the
23 structure of what we consider the counties, let's look at
24 revamping that. And I might be disagreed with. Thirdly,
25 even within the agreed-upon areas of what constitutes

1 north and south, are we at least having some geographic
2 targets that if some places or some parts of the state are
3 underperforming, are we trying to bring them along in
4 future years?

5 CHAIRPERSON BROWN: I think that you have
6 multiple questions that, Howard, you can start to address
7 the geographic split and how that's determined.

8 I think one of the concerns is there's 23
9 applications disqualified. Are those applications that
10 maybe are target areas that we want to look at what the
11 disqualification is. Because I think what Member Migden
12 raises is a concern I had as well is if we don't fund
13 09-10, would those 23 applications have wanted to come
14 back in that cycle? And this is always oversubscribed.

15 So let's start with geographic split, and then we
16 can move on from there.

17 COMMITTEE MEMBER MIGDEN: Thank you, Madam Chair.

18 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Well,
19 first of all, let me say there has been a lot of outreach
20 all around the state through various list serves, various
21 meetings, and so on.

22 Historically, we have funded a lot of Bay Area
23 grants. Not in this cycle perhaps, but historically there
24 have been a lot of grants to local jurisdictions in that
25 area.

1 The geographic distribution I'm going to turn
2 over to Shirley, but that is something the Board discussed
3 and adopted as a policy a number of years ago. I don't
4 remember exactly what year. It was a Board policy that
5 has been incorporated into various grants to have that
6 split. And there was a specific definition of northern
7 and southern California.

8 And I certainly appreciate Member Migden's
9 comment that this northern California includes central
10 valley. It may be something the Board may wish to
11 reconsider in the future. But we were following the
12 Board-approved policy on that issue. So that's why you
13 see that distribution proposed that way.

14 In terms of the 23 applicants who were
15 disqualified -- and Marissa can give you a rundown on
16 that -- it's true there could be some applicants who would
17 come in next year if we had funding with a new
18 application. On the other hand, we have 45 who are
19 eligible and are ready. So they also would have to
20 re-submit applications. We'd have to do a whole other
21 cycle. So in terms of the administrative burden on those
22 jurisdictions as well as on staff, it would not be very
23 efficient.

24 But we understand your concerns. We just feel
25 this is an opportunity for the Board to consider getting

1 additional moneys out on the street sooner. But it --

2 COMMITTEE MEMBER MIGDEN: May I?

3 That's fine. But that's not the answer.

4 Were there applicants from the Bay Area or other
5 places turned down? You know, I'm just saying in general.

6 I would like to ask the attorney what do I do
7 about it? If it's something we bring up at the next
8 meeting, I'll do that. I do want to look in advance of
9 geographics, period.

10 And, secondly, I don't want to admonish you
11 weren't following the lines. I get that. That's not a
12 helpful explanation for me, Howard. I know that.

13 What I want to hear is well, yeah, we do look at
14 the entire state. Over five years, we've touched as much
15 as we can. Or we didn't.

16 Or secondly, you know, here even coming forward,
17 sir, I would just say to you I wouldn't want to have no
18 real northern part of the state stuff and what happened.
19 That's an anticipated question I guess about 23 that
20 didn't have muster. Or were they from the area I thought?
21 How bad off were they? Were they lousy?

22 But then I would think we would want to get in
23 there and say this almost made the lines. But it's the
24 only one from over here, so let's boost them over here and
25 see if we can.

1 CHAIRPERSON BROWN: Let's have Marissa answer the
2 question on the 23 that were disqualified. Are there Bay
3 Area ones? Are there applications --

4 MS. LUNA: Yes. I don't have the list with me.
5 But off the top of my head, I can think of two from the
6 Bay Area that were disqualified for an incomplete
7 application.

8 CHAIRPERSON BROWN: What does that mean?

9 MS. LUNA: That means that they didn't have all
10 the required documentation in by the due date. So we do
11 offer a secondary deadline date to get your
12 environmentally preferable purchases policy adopted and
13 your resolution.

14 So we have the first due date, which was October
15 1st. And then we had a secondary due date to get those
16 two additional items in. These applicants failed to do
17 that. So their board did not adopt a resolution in time
18 which authorizes them to apply for the program.

19 But we have funded Bay Area applicants in the
20 past. I can think of city of San Francisco is doing a
21 project right now that I know of.

22 CHAIRPERSON BROWN: So it's possible, since we
23 have oversubscribed and funded all of the applicants over
24 the last couple years. And you just will need the
25 information by Tuesday we have funded Bay Area and maybe

1 they're in the cycle of doing the work. And it's
2 just they're not ready to do another.

3 COMMITTEE MEMBER MIGDEN: And I want to just be
4 clear. I'm bringing up the Bay Area, because it was
5 startling to me, because I live there.

6 I'm asking the question even broader, which is
7 are we geographically meeting targets? I really don't
8 want to go, "Migden didn't get SF, and she's on a
9 rampage."

10 I do want to see what we're doing in this city,
11 of course, and other things. I'm just saying as part of
12 just our look, and if it's two year -- excuse me a
13 second -- I want to be especially clear. Yes, I want to
14 know that.

15 But I also want to know are we reaching out to
16 underperforming areas? Are we taking an extra step? And
17 I appreciate that may or may not be your job exactly. But
18 then this Board may say, well, to the extent -- because it
19 follows suit. Sometimes people don't have the capability.
20 Those in the underperforming areas, they're the poor areas
21 that are not doing and their applications weren't as good.
22 It's the same thing getting into an ivy league school.

23 So I'm asking that also broadly for a look. And
24 that at least would be part of my consideration, because
25 these are goodies. And these are over prescribed. And

1 thank goodness we have something to offer cities now. And
2 they're presents and good things. You see, for me, I want
3 to have that broader look.

4 And also lastly, the last thing I look at is kind
5 of, you know, the mask of the 78 or 77. There are other
6 aspects of, you know, how did they do? Again, I don't
7 want any pressure. If something is no good, don't think
8 you're pushing it up because Migden will be happy it's in
9 San Francisco. If it's no good, it's no good. But at
10 least we say, we're not taking it over the next two, three
11 years. We're going to go in there with a team, try to fix
12 up that application process for that county, and see
13 what's wrong there.

14 CHAIRPERSON BROWN: We do have -- I think you're
15 going to -- John is going to ask a question.

16 COMMITTEE MEMBER LAIRD: First, I just want to
17 ask the question clearly.

18 Is the dividing line set by statute? Or is the
19 dividing line a policy? Or just how is the north/south
20 dividing line set?

21 BRANCH MANAGER WILLD-WAGNER: For the record, I'm
22 Shirley Willd-Wanger, Division Chief of the Financial
23 Assistance Division.

24 And the north/south split was not set in statute.
25 It was set by Board policy in 2001. This was established

1 for all Board funding of all grants. Any grant that comes
2 forward that does not follow the Board policy of the
3 north/south split has to specifically request an exemption
4 from that north/south split.

5 The population is looked at each year. So those
6 counties, that line, is divided there. But then what we
7 do is look at the Department of Finance numbers of the
8 population. And so 61 percent of the population of the
9 whole state of California right now is below that line.
10 Doesn't matter where in a way -- wherever that line is
11 set, we look at the population figures below that line and
12 above that line.

13 So right now, 61 percent of the population lives
14 below this line. Thirty-nine percent lives above the
15 line. So 39 percent of the grant dollars are allocated to
16 the northern California.

17 COMMITTEE MEMBER LAIRD: If we by policy were to
18 move the line, we would change the percents? And so we
19 would still just be working to the percents with a
20 different line?

21 BRANCH MANAGER WILLD-WAGNER: Still working to
22 those percents.

23 COMMITTEE MEMBER LAIRD: I'm aware just from
24 having dealt with -- and I don't know if it's the
25 Department of Water Resources or the Water Resources

1 Control Board. There's a very similar policy. They just
2 draw the line in a different place. My recollection is
3 it's either at the south or the north of San Luis Obispo
4 County and bisecting the state to the east, and that's
5 their north/south divide.

6 What you're basically saying is, is if we wish to
7 reconsider the policy at some point, we just could. We
8 would have to split by percentage, unless there was an
9 exemption in how we gave the grants.

10 BRANCH MANAGER WILLD-WAGNER: That's correct.
11 And we would probably prefer to do that in an item that
12 would apply to all grants.

13 COMMITTEE MEMBER LAIRD: One other thing. I had
14 a couple more questions.

15 But, first, it might be just a little more
16 helpful if on these applicants it also could just be
17 listed what county they're from. Because while I know
18 that Lemoore is in Kings and Byron is in Contra Costa and
19 Livermore in is Alameda, I don't have a clue where
20 Thermalito School District is and where some of these
21 others are. And it might just give us a better idea what
22 the spread is and where those are.

23 BRANCH MANAGER WILLD-WAGNER: We can do that.

24 COMMITTEE MEMBER LAIRD: And just one concern and
25 then one question.

1 In response to Carole's question, there was an
2 indication that some people hadn't met the requirements
3 for the application. And this came up at a previous
4 meeting, and I just have the ongoing concern that we end
5 up funding who's best at the application process rather
6 than who might actually have the need. And just so that
7 we can make sure that the obstacles that we put up are not
8 really skewing where it goes.

9 But the question I had relates to exactly what we
10 were talking about in the Committee hearing on Monday.
11 How much of the money from these grants comes back at the
12 end of the cycle?

13 BRANCH MANAGER WILLD-WAGNER: Marissa brought
14 some of that information; right?

15 I will mention, while she's looking that up, the
16 tire-derived product grant along with a couple other
17 grants programs isn't so much a scoring of one project
18 against another. This is simply an application, do you
19 meet these minimum qualifications? Are you eligible? Are
20 you diverting the proper amount of tires? And they're put
21 into the random selection process. That's been an ongoing
22 concern don't want to fund the best grant writers. We
23 want to fund where the need is.

24 In our scoring grant programs, we usually have
25 the highest number of points allocated to the need in the

1 local jurisdiction. That's how we try to focus on the
2 need versus the slickness of the application.

3 These cases, it's not a scoring process. So it's
4 not whether one did better than the other. It's as long
5 as you pass the minimum qualifications, then you're put
6 into the random selection.

7 CHAIRPERSON BROWN: And the EPP policy is one
8 that the Board has long held as a priority for supporting
9 the policies and mission of this organization.

10 So, you know, it's been long important to this
11 Board. Prior to my arrival, I know previous Board members
12 have been very, very strongly advocating that each
13 applicant has to have an EPP policy in place.

14 And then the resolution by the Board is necessary
15 for us to be able to fund them. So I think there is a
16 couple of tools, and they're well aware of the processes
17 they go through. So I agree with you --

18 COMMITTEE MEMBER LAIRD: I appreciate both
19 responses.

20 CHAIRPERSON BROWN: -- we want to make sure that
21 we do fund the best applicants, the best projects, and
22 those that are going to move forward. And we don't want
23 the disqualify them for something minor. But anyway.

24 COMMITTEE MEMBER LAIRD: Thank you. I appreciate
25 both those responses.

1 And then on the issue of how much comes back?

2 MS. LUNA: Well, the first cycle of this program
3 actually just closed out last year. And about 34 percent
4 of the grantees that were funded had to withdraw.

5 And the reason stated was just lack of funding on
6 their part, because this grant only pays for the tire
7 material used in the project. So they have to pick up any
8 costs that involve labor or equipment rental. And they
9 didn't have the funds by the end of the grant term to do
10 that.

11 COMMITTEE MEMBER LAIRD: And so if 34 percent
12 withdrew, that just means off the top 34 percent of the
13 grants came back?

14 MS. LUNA: Correct.

15 COMMITTEE MEMBER LAIRD: And then on top of that
16 for the 66 percent that didn't withdraw, did money come
17 back at the end of the cycle?

18 MS. LUNA: For some, small amounts were
19 disencumbered, because a lot of times they'll go out to
20 bid and find a product that costs a little less. So they
21 didn't need to use all the funds, because we do only
22 reimburse what was actually paid for. So in small
23 amounts, we do end up disencumbering, and other times the
24 full grant is utilized.

25 COMMITTEE MEMBER LAIRD: In your view, it's not

1 really significant?

2 MS. LUNA: For those that were able to do
3 projects, no, it's not significant.

4 COMMITTEE MEMBER LAIRD: The real significant
5 thing is the people that withdrew?

6 MS. LUNA: Correct.

7 COMMITTEE MEMBER LAIRD: Is there anything that
8 we can do about that, or is it basically if they're not
9 going to put up their share, they're not going to put up
10 their share and that's just where it is?

11 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: This
12 is an issue that we've had with a number of grant programs
13 where we have people who are unable to fulfill the
14 obligations in the grant for one reason or another.

15 It's tough, because they're submitting the
16 application on the basis that they have the resources and
17 the funding coming. And if something happens with their
18 own budget cycle or for some reason -- it could be a
19 contractual issue that they're not able to resolve with
20 their local contractors, and so we can't really anticipate
21 that very easily.

22 COMMITTEE MEMBER LAIRD: Except given the current
23 budget meltdown, we can expect that number to go up
24 significantly.

25 And then if you move on to the next question

1 after that, if we are subscribing a fully operating grant
2 system and 34 percent is coming back and we're telling all
3 these people no that might be prepared to go, we just got
4 this money out there that's afloat while we're telling
5 people no. Is there a way we might -- and I know on
6 Monday, different program, same concept, we sort of talked
7 about it. And Mark said he would kick it around and get
8 back to us. Is there a similar discussion that's worth
9 having with this program?

10 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: I'm
11 sure Mark will kick it around.

12 No. I think we can certainly have that. One of
13 the problems, of course, is that the grant is a several
14 year grant. So we don't know often until near the end the
15 moneys are actually not going to be used. Might be
16 halfway through the cycle or at the end. So we don't have
17 those moneys available up front to be able to cover some
18 of the unfunded applications.

19 CHAIRPERSON BROWN: How many years is this grant?
20 Three?

21 BRANCH MANAGER WILLD-WAGNER: Three-year cycle.

22 MS. LUNA: No. About two.

23 BRANCH MANAGER WILLD-WAGNER: About two by the
24 time we get the agreements out.

25 CHAIRPERSON BROWN: So following onto John's

1 question, or piggybacking on that line of thinking, of the
2 33 percent, which we all know 33 percent of \$4 1/2 million
3 which was what was funded last year and the year before or
4 in that ballpark is a significant amount of money.

5 So following that line of thinking, how many of
6 those 33 percent opted out in enough time that we could
7 have -- had we had a List C that was a provisional if
8 funds were returned during the contract period, maybe
9 given it to other applicant on another list?

10 BRANCH MANAGER WILLD-WAGNER: In that case, we
11 would not have been able to, because the funds have to be
12 encumbered before June 1st of the year of the fiscal --
13 June 30th before the fiscal year of the appropriation.

14 So that's not going to be a direct, unless they
15 pulled out in September or something. Then it can be
16 reappropriated. But money at the end that's reverted and
17 comes back in would have to be put in the pot for
18 reallocation or reappropriation.

19 CHAIRPERSON BROWN: So then if we funded in July
20 of this year, we have until June of next year for
21 applicants to pull out to reencumber the funds for another
22 list of people?

23 COMMITTEE MEMBER LAIRD: But I think what I'm
24 also hearing, it will take a while to get the contracts
25 out, it's two years, that we might not be able to

1 ascertain much by that period.

2 BRANCH MANAGER WILLD-WAGNER: For grants that
3 were put into a contract already, it can be two years
4 before we know whether or not the funds have been
5 expended. Sometimes we'd know within a year if they
6 simply can't get the site or if their budget situation is
7 such they can't put up the funding for the labor costs,
8 the matching funds.

9 But in the case you described, Chair Brown, for
10 fiscal year 09-10 moneys, if we allocated that and put it
11 into an agreement in July and they decided to withdraw in
12 October, November, we could do an additional allocation
13 item to award additional grants with whatever money has
14 come back.

15 COMMITTEE MEMBER LAIRD: I think that's a great
16 suggestion and that is one way that probably seems to
17 work.

18 But I understand that it doesn't totally solve
19 the problem and that there's really some conflicting
20 values. It's like, how do you legally encumber more than
21 the amount of money available to get to the total? You
22 can't, unless you can figure something out.

23 And I heard clearly on Monday the other concept
24 the fear that what if everybody actually spent? We know
25 that's not going to happen. But, yet, that is a

1 legitimate concern.

2 And so the question is, is just how can you
3 balance all these things and try to figure out a way that
4 we get the money out the door to people that will really
5 use it?

6 And we're not going to solve it right now, right
7 here. But I think we're just identifying it as a Board
8 concern and hope that you can maybe figure out a way to
9 address it.

10 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: One
11 thing that I do want to mention is, as you know, since we
12 had the reorganization, we've had a lot of staff turnover.
13 And we basically have been trying to get grants taken care
14 of and get the moneys out the door and make sure
15 everything is done legally.

16 One thing we're hoping is that if you did agree
17 with this longer term proposal to fund some of these
18 eligible applicants this year with the 09-10 moneys and
19 have not a cycle next year, we could spend more time going
20 back and looking at grant performance, looking at criteria
21 and the issues that you're raising, Member Laird. Is
22 there something we can suggest when you are setting up the
23 grant cycle that would allow us to address this issue of
24 potentially reversion of funds? Maybe we need to make the
25 eligibility criteria tighter. Maybe people have to have

1 some more definitive budgetary appropriations ahead of
2 time so we know they are going to have this.

3 But one of our problems is we have a lot of
4 school districts who do fundraising throughout this year.
5 If they make their fundraising, then they keep the grant.
6 If they don't, then they withdraw later on. So as you
7 say, there are conflicting values here.

8 COMMITTEE MEMBER LAIRD: You see, one last thing.
9 That on Monday when we were having this discussion on a
10 different subject, it didn't get said, but I felt like
11 part of it was that we had so many strings on that
12 particular program that people weren't going to use it and
13 the money was going to come back.

14 And so the question with that one, and not
15 necessarily with this one, but might raise its head, is do
16 we need to look back and re-examine the conditions we're
17 putting on these to make sure that while they protect us,
18 if with the economic meltdown 50 percent of the money
19 comes back, not able to be used because of the way we
20 structure it, should we be rethinking how we restructure
21 it?

22 CHAIRPERSON BROWN: I agree. Good suggestion.
23 I'm sure we'll look at that as we move forward.

24 We do have two speakers. Did you have any
25 questions first?

1 BOARD MEMBER MULÉ: Just a comment. Thank you,
2 Chair Brown.

3 I just want to, again, following up on John's
4 comments. We had a similar discussion on Monday. And so
5 my question is can we look at increasing the expenditure
6 authority? Because again this grant program, as in the
7 other grant program, there seems to be a history of
8 oversubscribed applicants.

9 So again, we have those funds available. And my
10 feeling is that we should look at this oversubscription of
11 this grant program and others and then figure out how much
12 additional expenditure authority we would need in order to
13 cover those.

14 And then also take into account the suggestions
15 of Chair Brown and Member Laird, because I think again
16 there's so many different issues or obstacles, if you
17 will, for us in getting these moneys out to where they
18 belong, where they're needed. I mean, that's the purpose
19 of these funds. So let's figure out a way to get them out
20 there and get them on the street and get them so that
21 we're utilizing the funds the way they need to be
22 utilized.

23 Thank you.

24 CHAIRPERSON BROWN: One other concern, and I
25 started to raise it. On the 23 disqualified applicants,

1 if we are to consider in May or July funding 09-10, I
2 think we need to notify those applicants, give them a
3 second shot to complete their application, and let them
4 know that this is for the 09-10 process, because I'm not
5 comfortable expending all this money when we had 23
6 applicants that were disqualified. If we give them until
7 May 1st or something -- and I know that's probably going
8 to go to Elliot because it's NOFA or some other
9 requirement.

10 But if we're going to expend funds even -- and I
11 understand we may not have the money -- but notify they
12 would be considered in a reallocation next spring for tire
13 money if they can complete their application by this time
14 frame, because we haven't notified anybody that we're
15 considering 09-10 money. And there could be other school
16 districts that were considering or other projects were
17 considering applications in 09-10, because they didn't
18 have the money this fiscal year. Because I know my
19 jurisdiction, Sacramento, is \$55 million in the hole. So
20 I'm surprised they're on the list. But there may be other
21 jurisdictions that didn't apply.

22 And I do have a very strong concern we're going
23 to encumber 09-10 money without notifying jurisdictions
24 that that is our intent.

25 MS. LUNA: I would just like to note that out of

1 the 23 applicants that were disqualified, only 14 of those
2 were for incomplete. The other ones were ineligible
3 applicants or their project wasn't eligible. So they
4 wouldn't be able to re-apply next year.

5 CHAIRPERSON BROWN: That's completely different.

6 COMMITTEE MEMBER MIGDEN: Madam Chair, may I
7 amplify on that, because that's partially -- I would like
8 to know -- and I'm satisfied if Ms. Willd-Wagner says that
9 there's a line. And you can call it what you will. I
10 still would like to clarify that central valley is
11 different. So in other words, I'm not uncomfortable with
12 a prescribed distribution.

13 So I would like to know how would I, as a member,
14 effectuate a discussion or a change that calls it what it
15 is? Is that -- who can answer my question?

16 CHAIRPERSON BROWN: I can. We will bring it to
17 the Policy Committee for a discussion, and we can make the
18 determination anywhere we want.

19 COMMITTEE MEMBER MIGDEN: Excellent. So, Madam
20 Chair, that will be calendared.

21 CHAIRPERSON BROWN: Yes.

22 COMMITTEE MEMBER MIGDEN: The second part had to
23 do with looking at the geography of where the grants have
24 gone. And I would like to know that.

25 In other words, I am prepared to approve what

1 we're being asked to approve today procedurally with
2 regard to whether we call it another year cycle or goes in
3 July or something. I'm not as swift in my understanding
4 of those time cycles. But what it would, in effect, do
5 for my comfort level is to know that two-thirds from one
6 fashion to another is still going to be there in the
7 offering. And therefore we can satisfy this issue.

8 Some may be because of bad applications. Some
9 may be that there are no applications. Some may be that
10 some perform very well and we ought to applaud the
11 initiative. And may be therefore then -- what we don't
12 understand here is what goes into those choices. How come
13 one did better than the other?

14 And I know there is a written application that's
15 certainly strict and then there's all these nuances that
16 have to do with grant selections from a larger view. And,
17 Howard, we may not -- and this may be a fallacy -- that we
18 give a narrow linear assignment which everyone is
19 dutifully doing. And I say let's have some zoom
20 back-pacity to evaluate or know where we're reaching or
21 not. Or, you know, Mr. Director in five, ten years
22 Imperial County, they don't do anything. And over the
23 next five years, we're going to make sure we send some
24 delegates down there. At least see what's going on. And
25 if we can perform that function, whether it's the city,

1 whether it's awareness, whether it's cutbacks, whether
2 someone went on vacation.

3 So again, I'm not contesting the validity of the
4 rejections. I think it would be good to know. But maybe
5 that same -- Madam Chair, with your permission, that same
6 outreach could be you did an application that fell short
7 or you didn't do an application, and how come? And you
8 ought to.

9 And how does that -- Mark, how does that second
10 part get looked at before we commit to the other two and
11 the two that we know are coming quite apart from today?

12 EXECUTIVE DIRECTOR LEARY: If I'm understanding
13 you right, Member Migden, I think you're looking for some
14 evaluation of our outreach efforts. I mean, are we
15 reaching the stakeholders we need to reach? And if not,
16 why not? And how can we improve?

17 And as Howard suggested, we have a lot of
18 resources tied up in simply delivering our grant programs
19 and managing them. And we've had this conversation even
20 through the strategic directives and the governance
21 policies about a program evaluation function that we need
22 to make more robust in this organization. And because of
23 inadequate resources, we haven't done it as well as I'd
24 like to do it for the Board.

25 But I think that would speak to the effort that

1 you're suggesting we do is evaluate our outreach efforts
2 and identify, as you suggest, why jurisdictions, potential
3 applicants, are not applying and get an understanding of
4 why that's true. Is it because they're not hearing about
5 it?

6 I think my sense of it, having been around here
7 for a while, we have greatly improved in our outreach
8 effort and the jurisdictions or potential applicants being
9 aware of those programs. We can't solve their problem if
10 they don't have the ability to apply. They know about it.
11 But for one reason or another, they don't have the
12 resources. But we can get a better handle on that for you
13 through --

14 COMMITTEE MEMBER MIGDEN: I want to say you do
15 beautifully. And I understand the mission is execution.
16 I'm not saying we're hiring an outside agency and getting
17 a lot of money and take a look with pinpoints.

18 I guess it's even an impression how in the past
19 five years -- the program has been around eight years. We
20 can do a little computer run or something and say -- so in
21 other words, that's all I'm saying, because I don't want
22 to misdirect resources. And I don't want to create
23 burdens.

24 I also want to say good job on this. No one ever
25 says that part. They come in with complaints. And I know

1 I had one.

2 Let me just say, lastly, if I might, Madam Chair.

3 So all I want to know, Mark, at this juncture is if

4 there's an aye vote on \$2 million going out the door and

5 we believe there will be cycles that will amount to two

6 and two more, whether it's one cycle and no blank next

7 year, or two cycles, will we have an opportunity? I want

8 to look at that before a second commitment is made. And

9 that's what I wanted to establish.

10 CHAIRPERSON BROWN: And we won't be considering

11 it until at least April, possibly May. So between now and

12 then, and if you can provide it by Tuesday, can you do as

13 Member Laird had requested, a county list? I think it

14 would be more helpful to understand county by county

15 possibly over the last three cycles what has been funded

16 by county. The number of grants, and the amount of money

17 that's been funded to each of the counties would probably

18 be helpful. Would that suffice? And we can distribute

19 that information so we can have a better look. If we get

20 it ahead of time, if there's further analysis we want to

21 in order to make that second and third funding cycle, we

22 can do that.

23 COMMITTEE MEMBER MIGDEN: Madam Chair, if it

24 isn't, I would say fine, I'll go with this and we can do

25 it next month, in other words.

1 And I'd like on the same thing to just say here's
2 where we've never reached at all for whatever reasons, if
3 I could have that.

4 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: We had
5 already had a side bar conversation. We can provide that
6 before the Board meeting and what areas have been missing.
7 You'll be able to see that.

8 I just want to make one comment on the outreach
9 portion to follow on what Mark said. We've had other
10 grant programs that have typically been undersubscribed,
11 particularly the recycled asphalt concrete grants in the
12 past years were undersubscribed. So we did do a much more
13 focused outreach on those in order to get more applicants
14 in.

15 And this year, we're in the same situation with
16 the RAC grants that we are with these tire-derived product
17 grants in terms of oversubscription. Way oversubscribed.
18 So we have the same issues we're going to bring to you
19 next month, which is why we wanted to start this
20 discussion today about how do we handle this.

21 With the tire-derived product grants, this
22 program, it has historically been oversubscribed. So we
23 have not frankly devoted that much in terms of outreach.
24 Although clearly we need to do some analysis of what's
25 been done in the past and where we're missing areas and so

1 on. There's never really been an issue that we needed to
2 do more outreach to get a sufficient number of applicants.
3 So there are different nuances in these programs.

4 COMMITTEE MEMBER LAIRD: Just a very quick
5 comment. First, I want to object to something Ms. Migden
6 said, because she said she was not swift. And that's not
7 true. My hand instinctively went to my wallet when she
8 said she was not swift. And I just want to object to
9 that.

10 But secondly, I just want to thank you for
11 bearing with us on this, because it's got to be a little
12 dislocating to have new Board members that really want to
13 take a look at things that you've been working with for a
14 while and ask questions that are probably verging on being
15 irritating. And I just want to acknowledge it and just
16 say, you know, we appreciate what you do and we recognize
17 the great work that's been done. And this is just a
18 process that will go on. And nobody should misread it in
19 any way. And just sort of be clear about that.

20 So thank you.

21 CHAIRPERSON BROWN: Thank you, John.

22 Do our speakers still want to speak? I typically
23 have the speakers come first, but we had so many
24 questions. I'll ask our speakers now.

25 Terry Leveille.

1 MR. LEVEILLE: Thank you, Madam Chair and
2 Committee members, Board members.

3 Terry Leveille, TL & Associates.

4 I, too, want to -- actually, I long for the good
5 ol' days when you had competitive grants and each city and
6 county had to write an essay as to why they needed this
7 grant and how many tires they were going to use in this
8 grant.

9 And I used to collect a lot of money writing
10 grants for them. And those wealthy communities that could
11 afford grant writers or could afford to contract with
12 people like me would get the grants.

13 And about five years ago, the Board changed its
14 policy, made this easy little checklist. And I get six
15 calls a cycle I should say from cities and counties asking
16 about these grants. And I said, look, you can do these
17 yourself. It's an easy checklist. Just make sure you get
18 the certification from your city council, your board of
19 supervisors, your school district, your school board.
20 They're not competitive anymore.

21 And it is a very, very easy. They changed it so
22 much, and much to my chagrin.

23 But never the less, it is a very workable, easy
24 document. And there should be no excuse for even the
25 smallest communities to not be able to fill out the

1 checklist.

2 That being said, I think that I don't have any
3 comments on stopping the cycle next year.

4 But I do want to reiterate something I said
5 during the Five-Year Plan discussion. And that had to do
6 with making sure that the products that these cities,
7 counties, school districts, agricultural districts use are
8 from California waste tires. There has been a big influx
9 of crumb rubber coming down from heavily subsidized
10 British Columbia. And they make it cheap up there and
11 they can transport it cheap enough that it competes on an
12 uneven scale with some of the crumb rubber processors here
13 in California.

14 And we've seen it. We had a discussion with Will
15 Kempton about some of the Caltrans projects. They don't
16 have to use California crumb rubber, but they have to use
17 USA only crumb rubber.

18 As far as the Waste Board though, it does have to
19 use the California waste tire crumb rubber. And the only
20 place that I've seen it come up has been in some of the
21 synthetic sport surfacing. And I notice there was about
22 six or so projects that are being proposed using that.
23 And I would hope that the staff would at least maybe take
24 a look at those particular projects to ensure that before
25 the cities or the school districts, the counties, use this

1 or purchase this, that they make sure that it is from
2 California crumb rubber.

3 That's all. Thank you.

4 CHAIRPERSON BROWN: Thank you, Terry.

5 It is a requirement of the program. But it's a
6 good additional reminder to jurisdictions that if they
7 missed that line in the application, they will only be
8 reimbursed and their grant is only for California tires.
9 So --

10 MS. LUNA: With their payment requests, we
11 require a certification form that's signed by the vendor
12 that the product that was provided was using 100 percent
13 California tires.

14 CHAIRPERSON BROWN: I understand that. But I
15 think Terry's concern is that people are going to go ahead
16 and contract with somebody for not California and mea
17 culpa later and try to get reimbursed. We won't reimburse
18 them, but we're out utilization of those funds. We are
19 out the utilization of that grant. And the California
20 rubber hasn't been used.

21 So I think the point that he's trying to make is
22 when we do encumber the funds, we reiterate the fact it is
23 required they use California rubber for distribution. And
24 we know there isn't an influx of British Columbia and
25 other states to be cautious when they contract with their

1 contractor. That's all.

2 Michael.

3 MR. BLUMENTHAL: Thank you, Madam Chair. My name
4 is Michael Blumenthal. I'm the Vice President of the
5 Rubber Manufacturers Association. RMA represents eight
6 US-based tire manufacturers.

7 Just before I get to my comments I had written
8 down, one of the things about the ground rubber situation
9 here in California, my understanding is it works basically
10 like this. The ground rubber produced in state goes to
11 the Waste Board grant projects. A lot of the rubber
12 that's used on the roads from Caltrans either comes in
13 from Utah or comes in from Arizona. And the rubber from
14 BC, who no longer has a policy to market their products
15 down here, is picked up by the entrepreneurs here in
16 California to feed the demand for non-grant, non-Caltrans
17 projects, because all the other rubber in California is
18 going either to the Caltrans projects or to the grant
19 projects. So it does work out.

20 And I am not sure -- I can't put my hand on a
21 Bible and swear no out-of-state rubber goes into any of
22 the grant projects. But I think everybody is aware of the
23 penalties that would be involved in this. And they are
24 aware of the difficulties that would ensue if they did not
25 use California-generated rubber.

1 I think the market has figured out how to
2 manipulate so that you are being served by California
3 rubber in grant projects. But the marketplace does still
4 work and the entrepreneurs here in California recognize if
5 they can buy less expensive than they can make it
6 themselves, they're going to go ahead and do that.

7 To my comments.

8 Number one, I'd like to find out if I can get a
9 copy of the first few slides. I think that's the kind of
10 information --

11 CHAIRPERSON BROWN: Presentation is on the web.

12 MR. BLUMENTHAL: That's the kind of information
13 that we've been talking about for a number of years
14 showing that not so much the grants, per se, but the value
15 of the rubber-derived products have value and they work,
16 that there are no problems with it. That's the kind of
17 testimony that I think carry a lot more weight and are
18 more beneficial for the long-term survivability of this
19 market than a direct grant. And I'll go on the web and
20 get that and use that.

21 That's the kind of information this organization
22 should be getting out as part of the package anyway as
23 part of the marketing of tire-derived products, because at
24 some point in time, these grants will be going away. And
25 if everybody gets used to only buying the rubber or only

1 buying the services when the grants are available in --
2 what -- 1215, 1214 -- 2014, somewhere around there, the
3 grant goes down. The amount of money you get will
4 decrease. The amount of money you have for grants will
5 decrease. And we don't want the shock to the system to
6 undue the positive work that's been done before.

7 So that kind of information is very positive.

8 One of the questions I have for staff is do you
9 keep track of the number of applicants that are first
10 timers, second timers, third timers? Is this in there?

11 MS. LUNA: Yes, I do.

12 MR. BLUMENTHAL: And can you give us an idea of
13 the percentage of second timers, third timers, in there?

14 At any rate, the basic point here is two-fold.

15 One, we are not real advocates of these grants.
16 We don't think that they are as effective for the
17 long-term stability of the marketplace. Obviously, in
18 these tough economic times, it's hard to argue against not
19 having them. And certainly we don't want to see them end
20 right this very moment. But weaning off of them I think
21 would be a good idea.

22 Some of the issues we want to raise -- number
23 one, to Board Member Migden's point, if you have some
24 applicants who have not applied before, may want to give
25 them some additional points. Those that have applied

1 before, second timers, third timers, we would suggest
2 decreasing the amount of money they get, because they
3 understand the value of these products and they know that
4 these things are good. They're safe. There aren't any
5 problems with them. You may want to consider giving them
6 less in the future, because you don't have to sell them.
7 They already know this stuff. And this starts this
8 weaning process away from just relying on grants to buy
9 these tire-derived products.

10 The other question I have is something that was
11 raised years past about the cost per tire. I want to know
12 if that is still being done. Realize it is a minimum of
13 2500 tires per project.

14 But is this a weighting system to look at the
15 overall cost per tire? I mean, that was something that
16 was talked about years ago. I'm not sure if that's still
17 in effect. I think that would help you get some more
18 efficiencies in the system and perhaps have more grants
19 for other applicants, especially those that haven't done
20 it in the past.

21 CHAIRPERSON BROWN: I think it's part of the
22 formula. It's a minimum number of tires. It's a dollar
23 equivalence, five or seven dollars depending on whether
24 it's the first application, or second application, and how
25 many tires. There is a formula. You remember. I kind of

1 remember we did it last year at length.

2 MR. BLUMENTHAL: The point here is that as these
3 systems gain more efficiency, we would suggest reducing
4 the dollar per tire amount. Two reasons for this.

5 One, if they realize it is a good deal, a good
6 product, they would be more willing to spend their own
7 money on it.

8 Number two, over time, you'll be having less
9 money for the grants and gets them into the process of
10 expecting less from these grants and having to apply more
11 of their own money for it. We think at some point in time
12 when the grant moneys do end, we want to see a
13 self-sustaining marketplace, not one that ends because the
14 grants are no longer there.

15 CHAIRPERSON BROWN: Right. We do have this
16 discussion every year. And --

17 MR. BLUMENTHAL: Every year.

18 CHAIRPERSON BROWN: I think when the program
19 started -- Howard, correct me if I'm wrong -- it was about
20 \$25 a tire. And three years ago, we ratcheted it down
21 significantly from 15 to 10, and now we're at a tiered
22 level of five and seven. So we've ratcheted it down
23 pretty significantly in order to accomplish what you're
24 suggesting, which is to try to wean these people off.

25 I think probably the economics right now are

1 getting more people to apply. But, you know, I mean, six
2 million is 30 percent higher than we even saw last year
3 when we were oversubscribed last year.

4 So I think we have a lot of projects on our
5 plate. And the need is there. And as former Member
6 Chesbro constantly drilled in our head, we got the money.
7 We want to get the money out. We want to stimulate the
8 market. We don't want to create a dependency. But we do
9 want to continue to get the money out the door.

10 MR. BLUMENTHAL: And I agree with that. But my
11 fear is there is a dependency for the grants. And, you
12 know, decreasing the amount of money for it and increasing
13 the focus on the first timers and getting more information
14 I think offsets some of the things here.

15 CHAIRPERSON BROWN: Well, I think that's a great
16 suggestion to start looking at first time, second time
17 users as we do in the RAC grant program, where there is an
18 incentive for first-time users to go in and try it, and
19 whether it's extra points or extra money.

20 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: Madam
21 Chair, as you know, every time we have a criteria item
22 where the Board sets the criteria for upcoming cycles, we
23 look at the dollar per tire amounts. You're absolutely
24 right. We've ratcheted it down. And certainly I
25 anticipate you'll have that discussion again.

1 That would be the time to look at whether you
2 want to establish preference for first time or at least
3 inexperienced users, like you say we have in the RAC
4 program.

5 So we'll note those down for the next time a
6 criteria item comes before the Board on this and include
7 those for your consideration.

8 CHAIRPERSON BROWN: Is it something that can be
9 considered in the Five-Year Tire Plan to look at increased
10 appropriation to that line item in order to tier the
11 applicants for first time users and --

12 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: The
13 Five-Year Tire Plan would not have that specificity. It
14 would be an overall amount for the tire-derived grant
15 program. You certainly can indicate your preference that
16 it go in that direction. We'd still have to bring a
17 formal criteria item to you with scoring and all of these
18 issues so you'd formally take it up later on.

19 MS. LUNA: Of the 91 applicants, 13 of those have
20 received TDP grant awards in the past.

21 CHAIRPERSON BROWN: Good first-time user
22 percentage, wouldn't you say?

23 MR. BLUMENTHAL: That is encouraging. Thank you
24 very much.

25 CHAIRPERSON BROWN: Thank you as always, Michael.

1 Our last speaker is Cameron Wright.

2 MR. WRIGHT: Hi. Good morning. Cameron Wright,
3 West Coast Rubber Recycling located down in Hollister,
4 California.

5 And addressing Member Migden's -- when she
6 brought up the different counties of which haven't
7 participated or been part of the grant program before, I
8 think not only relying on staff, but relying on the
9 smaller companies to go out and market their products.
10 We're available here before you to work with you, to work
11 in any way we can to generate interest. Being involved in
12 the grant programs for a number of years, I'm pretty well
13 educated on how they work.

14 And as just pointed out, the number of new
15 grantees that we -- prospective grantees that we have,
16 thank you. Big part of that is a lot of my customers have
17 made that list. And it's going out and getting involved
18 with them and educating them and even in my own backyard,
19 so to speak, as well as surrounding areas.

20 But if there was areas in which you wish us to
21 concentrate on something like that, we would be by all
22 means willing to invest time, energy, money to go be out
23 there promoting those products.

24 It's a great program. Very encouraged by it. A
25 lot of good use for tires going out there for a super safe

1 product.

2 Thank you again. Appreciate it.

3 CHAIRPERSON BROWN: Thank you, Cameron. Got a
4 marketer.

5 Do we have any other questions, comments on this
6 item?

7 We have some documents that are coming, but it
8 sounds to me, Member Migden, that we'll move forward on
9 this item for this \$2 million and then have forthcoming
10 information before we consider the reallocation and then
11 the '09 dollars well.

12 SUSTAINABILITY PROGRAM DIRECTOR LEVENSON: The
13 only question I have is we will prepare information on the
14 geographic issues, the distribution of past grants. Would
15 you like that -- we can have that to you in the next
16 couple days for your use at the Board meeting. Or if this
17 is on consent, you just want to have it for next -- when
18 we come back in April?

19 COMMITTEE MEMBER MIGDEN: I think wait, because
20 you've flushed that out and we're approving this.

21 CHAIRPERSON BROWN: Just get it to us prior to
22 the reallocation item coming to us.

23 COMMITTEE MEMBER LAIRD: Madam Chair, I'd move
24 Resolution 2009-42.

25 COMMITTEE MEMBER MIGDEN: Second.

1 CHAIRPERSON BROWN: It's been moved by member

2 Laird, seconded by Member Migden.

3 Kristen, can you call the roll?

4 EXECUTIVE ASSISTANT GARNER: Laird?

5 COMMITTEE MEMBER LAIRD: Aye.

6 EXECUTIVE ASSISTANT GARNER: Migden?

7 COMMITTEE MEMBER MIGDEN: Aye.

8 EXECUTIVE ASSISTANT GARNER: Brown?

9 CHAIRPERSON BROWN: Aye.

10 That resolution passes. And we will put it on
11 fiscal consent.

12 Great. That's it. And we're adjourned.

13 (Thereupon the California Integrated Waste
14 Management Market Development and Sustainability
15 Committee adjourned at 11:09 a.m.)

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1 CERTIFICATE OF REPORTER

2 I, TIFFANY C. KRAFT, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing hearing was reported in shorthand by me,
7 Tiffany C. Kraft, a Certified Shorthand Reporter of the
8 State of California, and thereafter transcribed into
9 typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said hearing nor in any
12 way interested in the outcome of said hearing.

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 20th day March, 2009.

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21 TIFFANY C. KRAFT, CSR, RPR

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